

For periods after July 1, 2004, a taxpayer may elect to use the mileage method to record and document the qualifying use of a vehicle for the rolling stock exemption. If no election is recorded in a taxpayer's books and records, the taxpayer will be deemed to have chosen the mileage method for any period after July 1, 2004 for that vehicle or trailer. See Informational Bulletin 2005-01. (This is a GIL.)

December 30, 2004

Dear Xxxxx:

This letter is in response to your letter dated August 5, 2004, in which you request information. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at www.ILTAX.com to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your letter you have stated and made inquiry as follows:

I am writing to request a private letter ruling regarding our truck. The truck was purchased under the rolling stock exemption, which required us to use the trip method for sales tax exemption. The FY 2005-01 bulletin adds a mileage option to the rolling stock exemption. The truck was purchased in June of 2003. We are currently reporting as trips but would like to change to the mileage option. Is this legal?

DEPARTMENT'S RESPONSE:

Please refer to the Department's Informational Bulletin FY 2005-01. You may find this bulletin on the Department's Internet website under the heading of "Publications." For periods after July 1, 2004, a taxpayer may elect to use the mileage method to record and document the qualifying use of a vehicle for the rolling stock exemption. Such election must be made in a taxpayer's books and records for each vehicle or trailer. Please note that if no election is recorded in a taxpayer's books and records, the taxpayer will be deemed to have chosen the mileage method for any period after July 1, 2004 for that vehicle or trailer.

It is important to note that a taxpayer must document the motor vehicle's qualifying use in his or her books and records (e.g., mileage records in log books and bills of lading.)

I hope this information is helpful. If you require additional information, please visit our website at www.ILTAX.com or contact the Department's Taxpayer Information Division at (217) 782-3336. If you are not under audit and you wish to obtain a binding PLR regarding your factual situation, please submit a request conforming to the requirements of 2 Ill. Adm. Code 1200.110 (b).

Very truly yours,

Edwin E. Boggess
Associate Counsel

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